



**Office of the Attorney General  
Robert E. Cooper, Jr.**

**Department of Commerce and Insurance  
Commissioner Leslie Shechter Newman**

**NEWS RELEASE**

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**FOR IMMEDIATE RELEASE**

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**TENNESSEE ATTORNEY GENERAL JOINS 43 STATES IN AGREEMENT WITH  
CHOICEPOINT REGARDING SECURITY BREACH ALLEGATIONS**

Tennessee Attorney General Bob Cooper along with the attorneys general of 43 other states, announced a settlement with data broker ChoicePoint to resolve allegations the company failed to adequately maintain the privacy and security of consumers' personal information.

ChoicePoint is a provider of identification and credential verification services to businesses, government and non-profit organizations, offering services such as employment background checks, tenant rental history and insurance claim reports. ChoicePoint, among other things, collects, maintains, and distributes consumers' personal information. In February 2005, ChoicePoint announced that criminals posing as legitimate businesses gained access to consumers' information. The company then mailed notices to more than 145,000 consumers across the country whose information may have been viewed or acquired by criminals.

In January 2006, ChoicePoint settled its case with the Federal Trade Commission, and paid \$10 million in penalties and \$5 million in consumer restitution. Additionally, ChoicePoint will pay \$500,000 to the states. Tennessee's share will be \$5,500.

The FTC settlement requires ChoicePoint to improve its process for accepting clients that obtain information from credit reports. The settlement entered into today by the states goes beyond the

FTC settlement and requires ChoicePoint to improve its credentialing process for clients that obtain other forms of personally sensitive information such as Social Security numbers.

“A business that collects consumers’ personal information has a duty to maintain the privacy, security and integrity of that information by, among other things, restricting access and maintaining proper security measures to safeguard the data,” said Attorney General Bob Cooper.

ChoicePoint has agreed with the Attorneys General to not misrepresent the extent to which it will maintain and protect the privacy, security and integrity of personal information. In addition, the company will make significant, ongoing changes in the way the company credentials new customers who have access to personal information. ChoicePoint must maintain procedures to protect its reports from unauthorized, fraudulent, or unlawful access. Among other requirements in the agreement, ChoicePoint must perform audits, including independent audits, to make sure that it is properly identifying those individuals or businesses requesting information.

Consumers who suffered out-of-pocket expenses relating to identity theft that resulted from the ChoicePoint breach may obtain compensation under the FTC Order. Consumers have until June 22, 2007 to submit a redress claim form to the FTC. More information is available at: <http://www.ftc.gov/bcp/online/cases/choicepoint/index.shtm>.

Some examples of expenses for which eligible consumers may be reimbursed as part of the FTC order include:

- \*Unauthorized charges on existing accounts NOT covered by the bank or credit card company
- \*Money paid on new accounts opened in the consumer’s name
- \*Money paid to a debt collector on new accounts opened in the consumer’s name
- \*Cost of ordering new checks
- \*Cost to file or receive copy of police report
- \*Notary fees
- \*Costs associated with correcting unauthorized charges and/or disputing incorrect information for expenses such as telephone calls, mail, fax, photocopy charges, hourly fees for Internet access or travel expenses.

In addition to Tennessee, other states in the agreement include: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin and the District of Columbia.